

BEFORE THE IDAHO BOARD OF TAX APPEALS

IN THE MATTER OF THE APPEAL OF MICHAEL)	APPEAL NO. 06-A-2510
VAN BUSKIRK from the decision of the Board of)	FINAL DECISION
Equalization of Kootenai County for tax year 2006.)	AND ORDER

RESIDENTIAL PROPERTY APPEAL

THIS MATTER came on for hearing December 14, 2006, in Coeur d'Alene, Idaho, before Board Member Vernon L. Driver. Board Members Lyle R. Cobbs and David E. Kinghorn participated in this decision. Appellant Michael Van Buskirk appeared at the hearing. Residential Appraisal Manager Darin Krier and Appraisers Gary Logsdon and Elizabeth MacGregor appeared for Respondent Kootenai County. This appeal is taken from a decision of the Kootenai County Board of Equalization denying the protest of the valuation for taxing purposes of property described as Parcel No. 05080003010A.

The issue on appeal is the market value of residential property.

The decision of the Kootenai County Board of Equalization is affirmed.

FINDINGS OF FACT

The assessed land value is \$473,366, and the improvements' valuation is \$78,000, totaling \$551,336. Appellant requests the land value be reduced to \$149,914, and the improvements' value be reduced to \$45,000, totaling \$194,914.

The subject property is a .536 acre improved lot with 225 feet of lakefront in Hayden, Idaho.

Appellant owns contiguous lots 9, 10, 11, and 12, of which only lot 10 is being challenged. It was noted the lots were grouped together for tax purposes by the previous owner, however, the Appellant subsequently changed the lot lines, resulting in five lots. Each is a "stand-alone" lot that can be sold individually, save Lot 12, which was deeded to the Home Owner's Association in 2005.

Appellant's primary point of contention was that Lot 10 received a disproportionate assessment compared to the other lots, as it accounted for approximately 50% of the combined assessment. It was asserted the problem actually originated in 2005 and carried forward to the 2006 tax year.

Appellant provided several area sales of properties varying in size between .63 and 12.06 acres. The sale prices ranged from \$660,000 to \$975,000 and occurred in 2005 and 2006.

Respondent first noted the average lot in the area had 75 to 100 feet of water frontage. Waterfront in excess of 100 feet was given a discounted valuation rate and classified as "vacant non-buildable". Adjustments were also made to account for other features of waterfront, such as; water depth, ingress and egress, slope, and water clarity. A 20% reduction was applied to subject's waterfront.

Respondent further explained that subject's entire area was re-appraised for the 2004 tax year to determine base values for the properties. To maintain market values each year, positive trends were calculated using sales data. The trend was then applied to the 2005 assessed values of all properties in subject's area to arrive at the 2006 assessments.

Respondent then provided eight sales from 2005 in subject's immediate area. The lot sizes varied as did the amount of waterfront. Discounts were given to parcels with excess or less desirable waterfront, like subject. A time adjustment was also applied to account for the rapidly-appreciating market. It was noted that one of the resale properties displayed a nearly \$100,000 appreciation in just three months.

CONCLUSIONS OF LAW

This Board's goal in its hearings is the acquisition of sufficient, accurate evidence to support a determination of fair market value. This Board, giving full opportunity for all arguments

and having considered all testimony and documentary evidence submitted by the parties in support of their respective positions, hereby enters the following.

For the purpose of taxation, Idaho requires all real property be valued at market value as defined in Idaho Code § 63-201(10):

“Market value” means the amount of United States dollars or equivalent for which, in all probability, a property would exchange hands between a willing seller, under no compulsion to sell, and an informed, capable buyer, with a reasonable time allowed to consummate the sale, substantiated by a reasonable down or full cash payment.

Appellant’s chief concern was subject’s dramatic value increase over prior years. Idaho Code § 63-205(1) requires real property be assessed at current market value each year, however the Code does not limit the amount of possible increase or decrease in assessed value per year.

Respondent thoroughly detailed the indexing methodology used to assess properties in subject’s area. The evidence illustrated compliance with Idaho’s market value standard and required valuation program.

The Assessor’s valuation of property for the purposes of taxation is presumed correct. The Senator, Inc. v. Ada County Board of Equalization, 138 Idaho 566, 569, 67 P.3d 45, 48 (2003). The court will grant relief where the valuation fixed by the assessor is manifestly excessive, fraudulent or oppressive; or arbitrary, capricious and erroneous resulting in discrimination against the taxpayer. Merris v. Ada County, 100 Idaho 59, 593 P.2d 394 (1979).

No error in the assessed value of subject has been demonstrated by Appellant. While subject’s value increased significantly in recent years, the increase was supported by recent sales of proximate, and similar properties. No error in the methodology used to determine

subject's value was established, nor does the record indicate the assessment was arbitrary or capricious. Therefore, the decision of the Board of Equalization of Kootenai County is affirmed.

FINAL ORDER

In accordance with the foregoing Final Decision, IT IS ORDERED that the decision of the Kootenai County Board of Equalization concerning the subject parcel be, and the same hereby is, affirmed.

DATED this 27th day of April 2007.